## REMARKS

This application contains claims 1-10 and 27. Claims 1 and 5-7 have been canceled without prejudice. Claims 2-4 and 8-10 have been amended. New claim 27 has been added. No new matter has been introduced. Reconsideration is respectfully requested.

Applicant thanks Examiner Weiss and Chumpitaz for the courtesy of a telephone interview with Applicant's representative, Daniel Kligler (Reg. No. 41,120), held April 2, 2009. In the interview, Dr. Kligler presented a draft amendment including a new claim 27 and explained the distinction of the new claim over the cited art. The Examiners suggested that in order to overcome the rejections under 35 U.S.C. 101 and 103(a), the draft claim be modified to include an explicit definition of the functions and implementation of the situation awareness unit and active dependency (integration) unit recited in the claim. Claim 27, as presented above, includes such a definition.

Applicant is <u>not</u> conceding that the subject matter encompassed by claims 1-10 prior to this amendment is not patentable over the art cited by the Examiner. Claims 1 and 5-7 were canceled in this amendment solely to facilitate expeditious prosecution of the subject matter of new claim 27. Applicant respectfully reserves the right to pursue claims, including the subject matter encompassed by the claims as presented prior to this amendment and additional claims, in one or more continuing applications.

Claims 1-10 were rejected under 35 U.S.C. 101 on the grounds that the claimed invention was directed to non-statutory subject matter. In view of the cancellation of claim 1, this rejection is now moot.

New independent claim 27 recites a method implemented in a system comprising one or more processors and two program modules: an active dependency integration unit and a situation management unit. The claim language describing these system components is based literally on the description in the specification (paragraphs 0027-0028 and 0055 in the published version of this application, US 2005/0096966). Claim 27 satisfies the "specific machine" branch of the "machine-or-transformation" test cited by the Examiner. Claim 27 therefore meets the requirements of 35 U.S.C. 101, as do claims 2-4 and 8-10, which have been amended to depend from claim 27.

Claims 1 and 3-10 were rejected under 35 U.S.C. 103(a) over Bailey et al. ("An Event-Condition-Action Language for XML") in view of Herbst et al. ("The Specification of Business Rules: A Comparison of Selected Methodologies"). In view of the cancellation of claim 1, this rejection is now moot. Applicant has introduced new claim 27 in order to more clearly distinguish the present invention over the cited art.

New claim 27 recites a method for handling events in the context of a business model that defines dependencies between business components. The method is built on two distinct units:

- A situation awareness unit, which detects "situations" that reflect changes in the states of the business components in the model, and generates events in response to these situations; and
- An active dependency integration unit, which maintains a definition of the dependencies in the business model, and propagates events among the business components in the model on the basis of the dependencies.

The claim recites an iterative relationship between these two units, in which an event relating to one business

component causes a change in another business component, which leads to a new situation, which in turn gives rise to another event (and, possibly, so forth).

The relationship between the situation awareness unit and the active dependency integration unit is shown in Fig. 4 of the present patent application. The sequence of steps recited in claim 27 is described in specification briefly in paragraph 0055, and is then described in detail in paragraphs 0079-0092, followed by several specific examples. The arrangement functional units and the method recited in claim 27 are advantageous in being able to handle dynamic changes in complex business models, using existing awareness tools.

Bailey and Herbst both describe event-condition-action methods, which could be considered to resemble the situation awareness unit in claim 27. Neither of these references, however, describes an active dependency integration unit (or any other entity that performs the functions of such a unit). The cited references certainly do not suggest the sort of iterative interrelationship between the situation awareness unit and the active dependency unit that is recited in claim 27.

Therefore, claim 27 is patentable over the cited art. In view of the patentability of claim 27, dependent claims 3, 4 and 8-10 are also believed to be patentable.

Claim 2 was rejected under 35 U.S.C. 103(a) over Bailey in view of Herbst and further in view of Parad (U.S. Patent 5,369,570). Parad, like Bailey and Herbst, fails to teach or suggest the use of an active dependency integration unit. Therefore, in view of the patentability of claim 27, dependent claim 2 is also believed to be patentable.

Notwithstanding the patentability of independent claim 27, the dependent claims in this application are believed to recite independently-patentable subject matter. For example, claim 10 has been amended to clarify the meaning of an "N out of M" logical operator, based on the embodiments illustrated in Figs. 5-7 of the present patent application. The cited references neither teach nor suggest the use of such an operator.

Applicant believes the amendments and remarks presented hereinabove to be fully responsive to all of the grounds of rejection raised by the Examiner. In view of these amendments and remarks, Applicant respectfully submits that all of the claims in the present application are in order for allowance. Notice to this effect is hereby requested.

Please charge any fees associated with this response to Deposit Account 09-0468.

Respectfully submitted,

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